**The WELL**
**Whole Earth Lectronic Link**
27 Gate 5 Road, Sausalito, CA 94965-9976
415/332-6106 (modem); 415/332-4335 (voice)

January 14, 1991

To: WELL Board Members
From: Cliff Figallo
Subject: Internet connection

Regarding the WELL's proposed connection to the Internet, there are several factors involved which will determine (1) whether we can qualify for the connection at all (2) whether we can afford to make the connection (3) whether we can justify the expense of the connection even if (1) and (2) are solved.

My understanding is that nonprofit status is only one of the complications. In fact, there is a trend toward more commercial access to the Internet. We would be a Service Provider and as such could apply for an Internet connection in order to offer access to organizations and businesses local to us who are involved in activities that the NSF likes.

What I see as the financial justification for spending $23K outright and over $100 per month plus admin costs are the following:

- we would attract new accounts who qualify for and need the access
- we could save most if not all of phone charges for USENET/UUCP
- we could save some disk space since valuable stuff would be accessible via FTP from other sites
- our USENET/UUCPmail would be up to date
- some qualified WELL users could be allowed telnet access to the WELL

Problems I see are:

- uncertainty of increased revenue due to Internet access
- telnet access would bring security problems to our password file

remember the Internet worm?
cost of connection would be born by all WELL users
ftp usage would load up our disks fast
tight restrictions would have to be put on usage
a lot of admin time would have to be budgeted

Just about any projections I make for revenue payback are suspect since the kinds of newusers we would attract through this are a different market from the one we are currently tapped into. We would be THE main local Internet access point for most of Marin and SF, especially when the local dialing areas expand to 12-mile radius in June.

Remember that a non-profit can own a maximum of 80% of the shares of a for-profit company, so if the WELL is to be made a non-profit, those changes have to be coordinated. My take is that the WELL will not benefit so much from non-profit status in gaining Internet access. Many for-profit corps have access, but must restrict their usage to appropriate purposes.

We can continue this discussion at our meeting later this month.

Sincerely,,

Cliff Figallo

# Internet Connection to The WELL -- Projected Costs

2 year Summary of Costs

| | Up front | Lease/Loan | (diff) |
|---|---|---|---|
| AlterNet | $43,202.40 | $55,202.40 | $12,000.00 |
| BARRNet | $29,296.30 | $0.00 | $3,918.05 |

Additional Expense

| | |
|---|---|
| 2 staff 6 wks | $7,920.00 |
| Cabling, etc. | $2,500.00 |
| Consulting | $2,500.00 |
| TOTAL | $12,920.00 |

Savings (over five years)

| | |
|---|---|
| Total PacBell | $60,000.00 |
| Ops Hrs Saved | $21,600.00 |
| TOTAL | $81,600.00 |

| Monthly | | AlterNet | AlterNet - L | BARRNet | BARRNet - L |
|---|---|---|---|---|---|
| | Apr-91 | $4,880.10 | $5,380.10 | $4,300.68 | $4,463.93 |
| | May-91 | $3,080.10 | $3,580.10 | $2,500.68 | $2,663.93 |
| | Jun-91 | $1,640.10 | $2,140.10 | $1,060.68 | $1,223.93 |
| | Jul-91 | $440.10 | $940.10 | ($139.32) | $23.93 |
| thru | | | | | |
| | Mar-93 | $440.10 | $940.10 | ($139.32) | $23.93 |
| after | Apr-93 | ($1,360.00) | ($1,360.00) | ($1,360.00) | ($1,360.00) |